

**ACTIVITY REPORT 2019**  
**#REINVENTINGMICROFINANCE**

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# 1 MICROFINANCE, MORE RELEVANT THAN EVER...



Dear Friends,

For many, the Balkans' region appears to have a disproportionate exposure to risks. It may come from its complex history, from its divergent geopolitics, but also from its unparalleled nature. On the other side, this maybe the reason why the Balkans narrative looks to filled with references of a constantly regenerative spirit, of a rapid national redeem and recovery, of the proudness to say that we will overcome "even this one". Our history seems to reconfirm in a cyclic manner that no tragedy can kneel the Balkans ethos.

The Albanian earthquake of November 2019, the destruction and the sorrow it left behind was one of such Balkans' events. 95.000 houses and apartments were damaged, out of which more than 11.000 are uninhabitable, affecting close to 200.000 individuals. The economic damage according to official data sums up to 985 million euros. Yet, the solidarity that followed this tragedy, the compassion, the international support, and the local unity it generated, the combination of all these factors made possible a rapid surpass of this tragic national disaster.

As a microfinance institution, this was also the umpteenth confirmation of the importance of our social business model. While we are fully aware our micro-loans cannot support the November earthquake infrastructural reconstruction effort, NOA's capacity to successfully disburse a total of 3,426 billion ALL to small entrepreneurs, farmers and Albanian families, was a gauge of our direct impact in supporting job-preservation and poverty-alleviation in such a challenging post-disaster context.

To succeed a full socioeconomic recovery, structural large infrastructure investments need to be accompanied by small business driven investments. This was the key concept behind the microfinance initiation in the post-communist Albania of the 90s. It still is the case. Development comes from an adequate mixture combining public strategies with private initiatives, sectorial reforms with individual projects, the funding of large public infrastructures with the establishment of private small businesses capable to benefit from such investments.

The November 2019 earthquake was a reminder of the microfinance importance in boosting growth, creating wealth and new jobs, accelerating development and socio-economic progress, advancing the rural agenda, while improving the living standards for those that are excluded by the traditional banking sector. In the aftermath of this tragedy, we are proud to say that everyone at NOA, all our loan officers, branches and operational teams, remain committed to the same social mission as 20 years ago: **"financially empowering Albanian businesses and families so they can be a key foundation to the development of the Albanian economy"**. Today, such mission appears to be more relevant than ever.

You will find throughout this annual report other proofs of this commitment and of the importance we have put throughout 2019 to the introduction of new financial products, to the quality of our services and our technologies, always looking to bring our microloans anywhere, at any time and for any demand of our clients. 2019 was a very challenging year, yet, we achieved to turn it into a success.

Herjola Spahiu  
CEO

# 2 AN ENDLESS JOURNEY TOWARDS EXCELLENCE



#ReinventingMicrofinance represents NOA's 2019 slogan. And it goes beyond the celebration of the company's 21st anniversary. Two decades are more than enough to confirm the relevance of a unique business model. Microfinance in Albania continues to successfully mirror the micro-entrepreneurial reality of the Albanian economy with 96% of businesses employing less than 4 individuals.

#ReinventingMicrofinance is a corporate commitment to the same social mission, human dimension, and economic objectives –as 20 years ago –while proposing new means to reach higher standards and performances. Sharing the same institutional purpose while introducing new best practices, products, technologies, and business insights. This is how 2019 can be best summarized for NOA.

An endless **journey towards excellence**, as all NOA's **staff** is fully aware that there is no other way to preserve our leading market position, and to simultaneously commit to highly sensitive social values relating to job creation, transparency & over-indebtedness.

During 2019, NOA consolidated further its internal **business** staff organization & regional specialization introducing dedicated account managers for each major client category and geographical area. Partnerships were scaled-up and brand differentiation was enhanced through new marketing strategies. A new business approach was proposed further consolidating the advisory role of the company's loan officers. The diversification of customer's communication channels was also accelerated via business intermediaries, in-field tablets, web, social networks, normal phone or via NOA's traditional local branches.

The automation of **underwriting** processes was also a key achievement of 2019 having ensured a constant fast lending process for all our client segments. Credit control was fully in place throughout the year allowing PAR ratios and objectives to be reached, write-off portfolios and recoveries to be met, and the company's profitability to be maximized. Overall, the continuous risk assessment, decision making, and controls implementation, resulted in a positive risk mitigation and avoidance throughout the year.

On the **financial** side, during 2019 NOA achieved to have a constant secured access to funds supporting its business growth, while reducing its costs of funding. In total, there were 3,426 billion ALL issued as new loans with small businesses representing 65% of the beneficiaries; farmers & agro-processors 22%; and families and individuals 13%, whom by means of our financing, have had an increase of their living standards. As a result, the year concluded with a positive 6% growth of the company loan portfolio and within an exceptionally satisfactory level of PAR30+ at 3.9%.

Such results were supported by a constant investment in NOA's **technological** capacities focused on building and maintaining a "Ready to change" environment allowing a flexible and rapid change management process reviews and optimizations. The upgrade and update of our information systems to accelerate our doing business capacities, while driving safely, was also a focus during 2019 serving our infrastructure upgrade, converge and virtualization. With the objective to better support decision making, sales, regulatory reporting, management, risk control and historical data preservation, our technological team was invested in building a Data Warehouse solution. Finally, the development of a new web module dedicated to our partners network, and the automation of NOA customer payments to Banks, were two other distinct achievements of our operations team for 2019.

# 3 COMBINING FINANCIAL AND SOCIAL PERFORMANCE, IT'S POSSIBLE.

**MISSION:** Financially empowering Albanian businesses and families so they can be a key foundation to the development of the Albanian economy.

**VISION:** To be Albanian families and small-businesses life-long financial partner.

## Our values as a daily driving force.

Corporate values are the core principles on which NOA stands and drive the behavior of each employee in the decision making. Our corporate values differentiate us in the market, and for us it is very important that these values are lived and reflected by all, in relationships with colleagues, customers, our partners and third parties.

In 21 years of activity we have embedded some of them, brought new values and continue to influence them by bringing a part of ourselves at work every day. We strongly believe in these values, we believe in being NOA, being different, because **WE:**

**Integrity and Ethical Behaviour** Invest in the creation of a corporate culture that promotes professional and financial integrity, both in relation to the internal staff and to the beneficiaries of our financial services. For us honesty, justice, equality, dignity, diversity and individual rights are paramount. The ability to act honestly and to be consistent in whatever we do, based on the particular moral value or belief, is an essential aspect that differentiates us.

**Customer protection & Responsibility** Believe that responsible funding and social responsibility protects clients, businesses and industry as a whole. For this purpose, we are committed to be responsible and transparent financiers; educate and raise awareness of our customers to avoid overburdened obligations; to work with high ethical standards; as well as always offer a way to address the complaints of the beneficiaries of our services.

**Engagement & dynamism** Take care to promote energetic qualities and activity, constant progress, challenges to oneself, as well as the positive impact on society, seeking to be proactive, generating ideas and supporting new partnerships.

**Innovation & continuous self-improvement** Our ambition is to always be a step forward in the services offered to our customers as well as in our work practices, promoting the translation of every idea or development into a good or service that creates value and meets the needs and expectations of everybody.

These professional and social values dictate our business ethics by constituting the foundation of the philosophy, where we rely on how we should work, how we should behave and make decisions.

Implementing these values in every activity we undertake, to achieve the company goals is once again a reflection of the unique character of NOA.

## Caring about the impact our business has on the society.

At NOA, we strongly believe that responsible finance and social responsibility, represent a real protection layer for our clients, for our business, and our industry as a whole. Beyond our corporate values, we commit ourselves to always support responsible and transparent lending practices; to have a positive business impact; to educate and to raise the awareness of our customers in avoiding over-indebtedness and unbearable obligations; to work following the highest ethical and professional standards; as well as by always offering a rapid and comprehensible contact in addressing any potential complaint from our loan beneficiaries.

For us, social responsibility means adopting best business practices to contribute for a better society.

Our 2019 initiative for the "Best Social Impact Award" represents a case in point how NOA's micro-loans have impacted the Albanian society. As part of this initiative, 12 NOA's clients (all being small entrepreneurs and/or farmers) were prized according to a set of social criterions identified by NOA's staff themselves. Each awarded beneficiary reflects the positive impact the funding they have received has had on the community they live.

Beneficiaries of the "2019 Best Social Impact Award":



**Mrs. Nebije Gotaj**  
Traditional craft products, located in a remote area of Shkoder, employing 10 women while preserving a traditional know-how.



**Mr. Shkelzen Vokri**  
A special agritourism located in the area of Kavaja, with a large guesthouse and 16 small wooden houses employing 16 women.



**Mrs. Paola Tasho**  
Promoting the Albanian winter season tourism - an inherited family business, Paola is a touristic guide, promoting touristic, cultural and historical values in the Korça's region.



**Mr. Gezim Loci**  
An incredible super-farmer, who regardless his health issues (80% progressive blindness), he still works together with his wife, in their family business totally dedicated to agriculture and farming.

## A corporate model supporting development.

As an active member of the Albanian Microfinance Association, of the European Microfinance Center, and since 2019 of the Foreign Investors Association of Albania, and of the Labor & Ethics Committee at American Chamber of Commerce, NOA is highly committed in representing best local and international corporate business practices. NOA's certification on 2019, according to the European Code of Good Conduct for Microcredit Provision - containing a number of criterions relating to the legal setup a Microfinance Institution, of its environmental setup in which it operates and of its ability to apply sound and efficient management procedures - reflects such an ambition.

NOA's Board of Directors combining diverse international, national and professional backgrounds, is committed in respecting gender balance, not only within itself, but also within the company. With a stunning 70% women representation at board of directors, 50 % at overall management level and a 50:50 male-female overall company ratio, NOA has proudly championed the inclusion of women in the workplace and diversity.

This has been witnessed by our staff voting, through an internal highly inclusive bottom-up process, a "Chart of Values" committed to transparency, professionalism, ethics, innovation but also towards the delivery of socially driven financial services. Such environment has produced a highly competitive and meritocratic hiring process emphasizing NOA's respect for best employment practices, work-life balance and human values.

Beyond our 20y old activity, NOA direct licensing and monitoring from the Albanian Central Bank is another guarantee in this commitment towards social and business excellence. This implies that we apply fully the best lending, accounting and financial standards applied to financial institutions non-collecting deposits. As an example, during 2019, we were the first Albanian microfinance institution to apply IFRS 9 standards for fully complying with provisioning calculation of our loan portfolio, through a dedicated software. Such standards are also due to our foreign-owned shareholders structure which bring to the local Albanian market not only a facilitated access to international financial markets, but also the highest corporate standards applied internationally to microfinance providers like NOA.

# 4 NOA'S ACTIVITY 2019 IN A SNAPSHOT

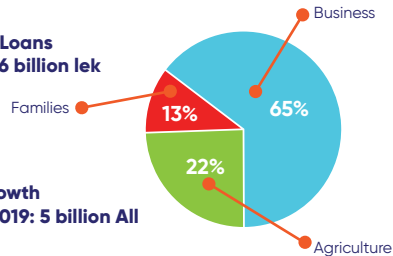
## The unambiguous results of a consolidated managerial practice.

The November 2019 earthquake had a tremendous effect on the Albanian national economy. Not only the amount of the damages was sizable (close to 1 billion \$), but the most hit area of Durres/Tirana represents more than 40% of the population, having as a result, a considerable effect in potentially slowing down the economic activity nationwide. Beyond the immediate societal challenges posed in terms of housing and of the physical well-being of the affected families, the earthquake was also a stress test for the national economy as well. A test that appears to have been successfully surpassed thanks to the collective international, national and diaspora support which has massively invested in the reconstruction effort of the most vulnerable and affected families. This is reflected also by the fact that NOA's activity was only slightly affected by the end of year 2019 but still achieved to reach its annual objectives.



November 2019, Konispol, Albania – Participation in the clementine event to support our customers

Loans disbursed: 11,532 Loans  
Amount disbursed: 3,426 billion lek



6.14 % Loan portfolio growth  
Total loan portfolio EY 2019: 5 billion All

## Faithful to our funding mission: support the Albanian micro-economy to prosper.

2019 allowed NOA's business activity to further mature and to reconfirm its leading position in the Albanian microfinance sector. NOA introduced a new unique **3x3 approach** covering all countries economic activities with consultancy, financing and new business support with the objective to further support NOA' micro-clients growth and **job-creation** nationwide. It is within this concept, that during 2019, several educational seminars were organized, targeting small farmers across the country in how to increase their absorption capacities of public subventions and private funding, in particular in buying new mechanical tools. **Agriculture** remained indeed one of NOA's main business focuses, with focuses, with 11.5% of the disbursed loans for 2019. In this regard, we can recall our staff's annual participation in the "Clementine's day" held in the remote rural area of Konispol, the most southern part of the country. This event represents symbolically our constant commitment to finance Albanian farmers and small entrepreneurs anywhere, anytime and for any-phase of their investment plan.



A new '**brand insight**' was also implemented during 2019, reflecting NOA's vibrant, ambitious and young team. An insight that preserves the same focus, like 20 years ago, on the importance given to our loan beneficiaries, to the human and social objectives of the services we deliver. This new insight was enforced by a new strategy and set of **trainings** delivered to our staff, aiming to preserve and strengthen the human and social interaction our staff has with all of our customers. These business values were all reinforced within our corporate & managerial daily practices also followed by the Leadership Program 2019 focused on the human dimension, aiming to create a unique experience for the staff and help them to mature as leaders by being exposed to advanced thinking, human behavior factors, team cohesion and corporate culture dynamics... This, because we believe our strongest business' foundations rely on the level of the trust and quality of the **human relationship** we build with our customers. When disbursing a micro-loan to an informal farmer or small entrepreneur, we actually invest in a human bond and social plan supporting job-creation and economic development.

As a proof of such business philosophy, our 2019 Edition of the Best Social Impact Enterprise award, recognized 12 entrepreneurs and farmers that achieved to really make a difference in their communities through their hard work, social perseverance and belief in their local resources. As a responsible financial institution, we supported in parallel several initiatives with grants towards orphans, children involved in the blood feud phenomenon; association of children with disabilities; "Protect and promote" exhibition; breast cancer organization but also towards the earthquake reconstruction effort. During 2019, we participated again in the Junior Achievement "Leader for one day" initiative and as Jury members in the Beta Pitch Startup Competition held in Tirana. A final initiative implemented during 2019, was NOA's cooperation with the Swedish International Development Agency in promoting innovation and youth employment through the EU Challenge Fund.



17th of October 2019, Brussels, NOA awarded by the European Commission with the Certificate of Good Code of Conduct for Microfinance Providers.

# 5 SUPPORTING SMALL BUSINESSES, FARMERS AND FAMILIES WITHIN A WELL-DEFINED RISK-ENVIRONMENT

## Ensure fast lending process in underwriting through automation of processes.

During 2019, NOA revised its Underwriting operational processes to achieve higher efficiencies in line with its business model, implying the disbursement of faster lending processes while maintaining a good quality of its loan portfolio. A centralized bucket of "Ready for credit committee" clients was made possible, whereas the FIFO (first in – first out) principle was applied.

The expansion of the credit scoring assessment was another achievement of 2019. Its criteria were revised and adapted to achieve similar higher efficiencies. The four-eye principle was preserved as an operational risk mitigation process, though it was reduced compared to the old scoring processes which has allowed for a faster approval for loans up to 700,000 ALL.

## Fully operational credit control

The establishment of a fully operational 'Credit control' was another achievement of 2019. It represents the automatic selection and reporting of data extracted directly from the system, allowing an improved monitoring of the credit control process. This mechanism can produce early warning signs from the very first moment, and can allow an improved mitigation in case of risk exposures. Such credit control standards are part of NOA's strategic business model aiming to help the company with early risk assessment indicators, while improving its lending quality, analysis, hints and site assessments.

## Loan Portfolio Quality

A proof of NOA's high efficiencies and good management control over its loans collection activity, is reflected by the company's quality ratios, which were positively below the initial outlook.



PAR 30+ = 3.95%

PAR 90+ = 2.03%

W/off ratio = 3.4%

Recovered from w/offLoan = 80%

Recovered from w/off loans are in 80% as a result of successful and continuous negotiations with customers in delay. Very few cases are related through lengthy execution processes.

## Prioritization of the human contact: a key reason to success.

Tailored management for each segment evaluating to seasonality requirements and individual difficulties of our customers, day to day advisory and guidance on how to handle their respective problems in their businesses, increased negotiations and problem-solving abilities of collectors and recovery officers in the field, have been the key factors for a successful management of our portfolio in areas.

We believe a customer remains a customer in good and bad days and at any stage of their loan, we are here to provide assistance and solutions. Economic environment in Albania is challenging for all sizes of businesses, especially for those micro and small ones and it is our duty to support them at any moment, faithful to our founding principles and to the corporate values that drive us in our daily business.

# 6 DEVELOP NEW BUSINESS PROCESSES TO SUPPORT BUSINESS GROWTH THROUGH A DIGITAL PATH.



## #ReinventingMicrofinance, means also being a technological pioneer.

As the market is changing rapidly, NOA remains a pioneer in running business operations on advanced Information Technology solutions to better meet customer demands and expectations. We, in NOA perform 60% of business operations in the Field, close to the customers and only few activities are performed into the branches offices. As such, embracing new IT-driven solutions represents a long-term strategy of ours by deploying coherent business solutions to increase efficiency and satisfying customer service.

During 2019, we reinforced further the concept of "Ready to change" environment, being a company that is always seeking for processes' optimization and efficiency creation under a clear digital vision for the future. Change management process was automated through the introduction of JIRA Cloud, a well-known international tool, ensuring a faster and efficient management of new projects and changes, controlled and safe testing, historical tracking of changes creating good references for the future, etc.

This particular mindset towards embracing innovation has been successfully adopted throughout the company due to a particularly high staff engagement in projects involving change, technology and the introduction of new services. Such open attitude is supported by constantly promoting a cooperative culture, which is simultaneously challenging, competitive and gratifying for those that achieve to meet higher standards and objectives, or achieve to introduce new best practices.

In this regard, we can say 2019 was a productive year in terms of sketching the vision of NOA's future business model. While we want to preserve intact the mission and the values at the source of the company's success, our insight for the future developments of the company passes through a deeper investment in new technologies and practices, a stronger presence in the field and the introduction of more interactive and diversified partnerships. We are confident that the future path of the company in #ReinventingMicrofinance will bring new developments allowing not only our customers to receive new improved services, but also our staff to have an even higher sense of professional fulfillment.

**NOA staff team gathering at Tirana Business Park where the best staff is recognized for their successes during the year 2019**



**Ensuring a safe, trustworthy and efficient transactional environment.**

Reliability and resilience are key factors for ensuring a future business growth and stability, which we ensure through continuous improvement and upgrade of IT infrastructure, systems and applications. During and after the earthquake of November 2019, most companies realized the importance of having a secure continuance and back up for daily operations, especially under disaster situations. We have undergone a thorough review of current and future technological capacities and as a result a 3 years technology roadmap was approved, consisting in a totally new virtualized infrastructure upgraded with the best international expertise with the target to improve, not only the existing technological environment but also to ensure a higher compatibility and new capacities for the future implementations.

With the company expansion the increase of market dynamics, a quicker and more flexible reporting system to better support business decision-making, sales and the increase support, regulatory reporting, management, risk control and historical data review was needed. It was tackled by building a new data warehouse system which allows for an improved new way in processing and reporting information, especially minimizing manual processing by users and ensuring better quality of information stored. Such centralized reporting data warehouse makes possible further data mining and enables Business Intelligence operations.

In line with the strategy of the company to improve its brand and services through new technology developments, Office 365 Cloud services were introduced. It allows for the company's staff to have the capability to work literally everywhere, in office or remotely, accessing work document in a secured way. Due to the diverse work settings of the company (field loan officers with tablets, branches, HO), these new services made work easier and independent from the used platforms and equipment (desktop, laptop, tablet and mobile). While data backup improved using Cloud services, the new Office 365 has also enhanced management of communication and flows by the introduction of Teams software.

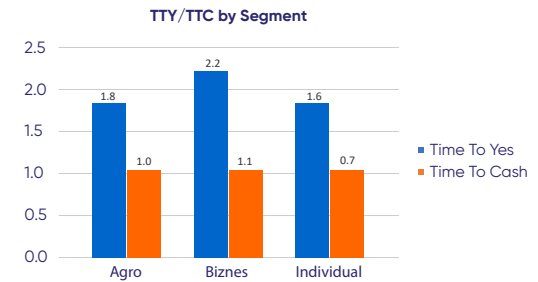
**NOA tested by the end of 2019 new field tablets** deepening furthermore its cooperation with Aleat in terms the biometric identification of Albanian customers and the digital signature;



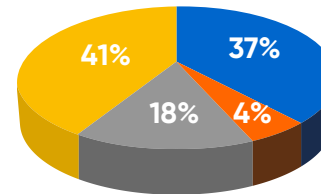
**Improving not just the products, but also their delivery.**

At NOA we pay a high attention in creating a long-lasting relationship with all the businesses and entrepreneurs receiving our financial support. This allows for a truly shared mutual growth and a joint impact on the overall national economy. It is in this context that we introduced a new Web module dedicated exclusively to our Business Partners allowing for a faster, remote and secure loan generation process. The new portal is in line with NOA's strategy to remain a leading MFI in terms of implementing new technological solutions not solely for its staff, but also for its clients and final beneficiaries.

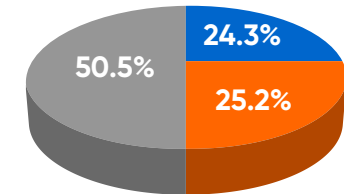
Fast & Easy remains one of our key slogans and advantage versus the market as we have managed to build the proper infrastructure and resources to comply with it. Fast in providing our services at the time needed from the customer at his place; easy as we manage to make the process very simple and straight forward for our staff and our customers. Business processes are followed and monitored with KPIs that enable to identify the flow of loan processing at any stage and provide fast solution on stuck points. We are proud to have the following KPIs in terms of loan processing.



**Time To Yes breakdown**



**Time To Cash breakdown**



**NOA Head Offices**

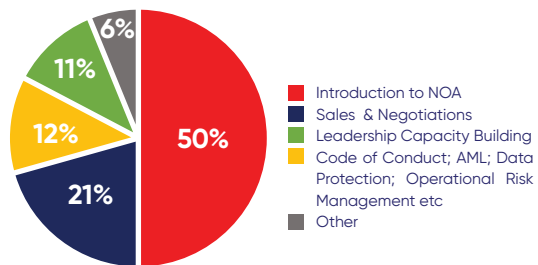
# 7 MICROFINANCE, A PEOPLE'S BUSINESS

Our mission is to cultivate a driven, collaborative and accountable value in people's culture, mirroring NOA's ambitions for innovation, dynamism and continuous self-improvement.

Our purpose is to differentiate NOA among the best Albanian financial companies people are proud of, want to work for and engage with, in the long run.

We believe that investing in the long run human factor is key to the development of the company while building successors for the business is the future in an environment of constant change & adaptation to the market. We believe that by spreading the same spirit and strategy we can lead and grow the business collectively.

During 2019 we have delivered 16,516 of diversified training hours but also invested in team building activities to celebrate our biggest achievements.



### NOA's team composition

Total no of staff:	262	
Gender distribution:	47% Male	53% Female
Average age:	35	
Staff distribution:	30 % HO	70 % branches

Branch Managers training



Staff training



Staff retreat - Selanik



Staff retreat - Dubrovnik

# 8 PRESERVE ACCESS TO FINANCE INTACT



As a Microfinance Institution not collecting deposits, securing appropriate funds, supporting business expansion, while reducing the cost of funding, is crucial to maintain a sustainable business, model allowing to fund 9,811 small entrepreneurs, farmers and families as NOA did during 2019.

As such, NOA achieved to reduce its cost of funding by 5% for 2019 vs. the prior year, and by successfully managing to diversify the lenders portfolio. This was due thanks to NOA's international lenders, which remain the company's main financing partners, and the intermediary role of Albanian local banks involved mainly in the transaction on the back to back agreements as the main 'instrument' used for hedging EUR financing.

The key reason for the continuous renewal of trust from our funding partners is due to the long-term partnership NOA seeks to establish with every lender, in order to achieve not solely the financial objectives of such relationships, but particularly, reach a true societal and lasting impact in the Albanian economy. It's such business philosophy that allowed NOA to fully reach its financial targets, but also to preserve a high liquidity ratio during 2019 and due to the increased risk linked to the November earthquake and the early signs of a global pandemic in the end of 2019.

In particular, during 2019 NOA achieved to fully utilize the guarantee facility from EIF for an amount of 3 mln EUR, financing small and medium enterprises up to 25,000 EUR with no collateral capacity. NOA has fully disbursed also the funding facility for housing and renovation funded by Micro Build -2 mln EUR and extended the cooperation with RCGF in the role of guarantee provider for financing Small and Medium enterprises in the Agro Segment with an amount of 3,5 mln EUR.

## INDEPENDENT AUDITOR'S OPINION

To the Shareholders of NOA sh.a

### Opinion

We have audited the financial statements of NOA sh.a (the "Company"), which comprise the statement of financial position as at December 31, 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Albania ("IEKA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of NOA sh.a. as at and for the year ending on December 31, 2017, were audited by another auditor, who issued an unqualified opinion on April 4, 2018.

### Other information included in NOA 2018 Annual Report

Other information consists of the information included in NOA's 2018 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. NOA's 2018 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of NOA sh.a regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young - Ekspertë Kontabël të Autorizuar  
Dega në Shqipëri

Ernst & Young Certified Auditors  
July 30, 2019  
Tirana, Albania



Mario Vangjeli  
Certified Auditor







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